



King County

Ron Sims

King County Executive

701 Fifth Avenue, Suite 3210
Seattle, WA 98104

206-296-4040 Fax 206-296-0194

TTY Relay: 711

www.metrokc.gov

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The Honorable Christine O. Gregoire
Governor, State of Washington
P.O. Box 40002
Olympia, WA 98504-0002

Dear Governor Gregoire:

I applaud your efforts in tackling the problem of affordable housing. This is an issue that affects all areas of the state – urban and rural, east side and west side. The Growth Management/Housing Task Force Report makes a number of important recommendations. The Task Force and the Affordable Housing Advisory Board should be commended for the amount of work they accomplished in such a short time. But, as the Task Force understands, more needs to be done.

One area the Task Force highlighted for additional discussion was the structure of the Buildable Lands Report, which is required by the six most populous counties in Washington. These reports evaluate each county's success at meeting the Growth Management Act's goals of ensuring a sufficient supply of land for housing and jobs in their urban areas. Although there was considerable pressure to recommend legislative changes to these requirements next year, the Task Force made a wise decision in recommending that any decisions on how to change these reports be made in light of the review to be conducted by the Department of Community, Trade, and Economic Development and the draft reports that will be released next year. In addition, the Task Force's recommendation that this review be conducted by a group with representation from all of the affected counties and other interest groups will ensure that any recommendations recognize the differences in the problems facing different parts of the state. I thoroughly support this conclusion.

I also support the Task Force's recommendations to search for funds to support infrastructure improvements that are necessary for growth in our urban areas. It is clear that local governments are strapped for funds to pay for needed infrastructure improvements. Impact fees and other revenue mechanisms that place the cost of new infrastructure on new development do have some impact on the cost of housing and typically fall short of meeting the need. Even more importantly, the lack of infrastructure in some of our urban areas presents challenges to local governments trying to comply with GMA requirements. That is

why the Task Force recommendations to provide additional revenue to support infrastructure necessary for growth in our urban areas are so important. This financial support must be tied to the jurisdiction's efforts to plan for more compact urban development that supports smaller housing units and is accessible to transit.

My concerns with the Task Force Report relate to some oversights. There is a bias toward home ownership as the primary means of providing affordable housing. In King County, rental units have historically provided a major source of affordable housing, particularly for those in the lower economic sectors for whom home ownership is unlikely ever to be a viable option. This will also be the case in the future.

I am also concerned that the Task Force focused most of its attention on the supply side of the housing equation – the perceived limits to housing production. The reasons we have seen such high housing prices in this region are varied and complex. In King County, the ratio of new housing units to new population is actually growing and the ratio of housing to jobs has changed dramatically with jobs finally catching up. We have seen continued housing production in recent years, even while our job base has been shrinking with the most severe recession in thirty years. Since the beginning of 2000, we've added more than 67,000 housing units, an average of 11,200 net new units per year. That's enough housing to accommodate 160,000 people at prevailing household sizes. Yet our actual population has only grown by 98,000. Thus, limits to production do not fully explain recent changes to the affordability of our housing market. Factors such as real-estate speculation, second and third home purchases, and the ever increasing size of houses were not considered by the Task Force. However, we have significant evidence that these dynamics are causing an increase in prices locally and throughout the nation.

The solution to the affordability issue will not be found by continuing to build larger and larger houses, which is what we have been doing for the last fifty years. The solution will be found by making sure that in the future, new housing is constructed understanding that household sizes are decreasing. Smaller moderate and low-income households are the predominate growing segment of our housing market. The coming years will see more seniors, more singles, and more single parent families that want smaller, not larger, housing. Our communities will require the full range of housing types – cottage-sized houses, townhouses, rental apartments and condominiums – not just the single-family owner-occupied new houses that the Task Force focused on. Cities and counties can enable these housing types possible through zoning. And they can improve their processes to ensure that permit costs are not unreasonable. King County and many cities and counties have taken these steps.

In King County, for example, we do not subtract critical areas on a site from land area calculations so that density is not lost due to environmental protections. Further, we allow the development of attached housing in all residential zones so that a constrained site can be used most efficiently. King County also has a minimum density rule that requires developments be built at no less than 85 % of the zoned density in the low and middle density zones. Further, we allow twice the zoned density for cottage housing. Many cities and counties have similar provisions, but broader application of these rules could result in more and smaller housing units at a lower cost.

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However, we must also acknowledge that it is the private sector that builds the vast majority of new housing units. If we are to make progress in solving the housing affordability issue, the private sector will have to play a role. I will be working with the development community to address these issues and to specifically identify barriers to getting smaller, affordable housing units built. I will also work with the King County Growth Management Planning Council to update the 2001 Housing Toolkit to identify steps for producing more affordable housing throughout the county.

The Task Force recognized that addressing the housing affordability issue will require a sustained effort over many years. If we are to even begin to address the problem, the first step needs to be a careful analysis of the circumstances that have led us to this position. Clearly, a strong economy has put pressure on our housing market. We in the public sector must be willing to fully engage the private sector on ways to get a reasonable portion of the housing production we are already seeing to be affordable. And, we must continue to recognize the option that rental housing provides for many of our residents.

I would welcome the opportunity to discuss these ideas with you in greater detail. Please do not hesitate to contact me so that we may continue to address affordable housing in the State of Washington

Sincerely,


Ron Sims
King County Executive

cc: Hugh Spitzer, Chair, Affordable Housing Advisory Board